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July 26, 2006

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Arizona Corporation Commission

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AZ CORP COMMISSION DOCUMENT CONTROL

Mr. Robert B. Dodds

DOCKETED BY

President

Algenquin Water Sam

Algonquin Water Services, Inc. 12725 W. Indian School Rd. Avondale, AZ 85323

SW

Re: Odor Problems at the Palm Valley Water Reclamation Facility; Docket No. W8-01428A-05-02-

Dear Mr. Dodds:

Recently, I was contacted by a frustrated resident regarding the odor problems at the Palm Valley Water Reclamation Facility. I am concerned about your Company's apparent failure to notify this Commission of the situation. According to documents provided to me by the City of Goodyear, this problem has been ongoing since late December of last year.

As we have not received any formal notification of the status of this situation, I request that you provide the Commission with the short and long-term plans your Company has developed to rectify this situation and mitigate the possibility of a reoccurrence in the future. The information I obtained from the City includes a letter in which you detail such plans, I would like to know what has been done thus far and if changes have been made to these plans. I have requested that Commission Staff initiate its own investigation of the situation as well as an analysis of your proposed solutions once you provide them.

The problems the facility is experiencing at current capacity lead me to question how the Company will address the expected growth in its service territory. How quickly do you anticipate going over the 75 percent capacity threshold at the Palm Valley facility that mandates plans for future capacity expansion? How does your Company plan to handle such an expansion?

Finally, how do you plan to work with residents to the North and West of the facility? The construction of residential communities so near to your facility only adds to my concern.

I look forward to your response to these questions.

Mr. Robert Dodds July 26, 2006 Page 2

Sincerely,

Kris Mayes Commissioner

Cc: Chairman Jeff Hatch-Miller

Commissioner William A. Mundell

Commissioner Mike Gleason

Jim Cavanaugh, Mayor of Goodyear

Brian McNeil Heather Murphy